

REGISTERED COMPANY NUMBER: 08800142 (England and Wales)
REGISTERED CHARITY NUMBER: 1176550

Report of the Trustees and
Financial Statements for the Year Ended 31 July 2019
for
New Model in Technology & Engineering



Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

New Model in Technology & Engineering

Contents of the Financial Statements
for the Year Ended 31 July 2019

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 21
Detailed Statement of Financial Activities	22 to 23

New Model in Technology & Engineering

Report of the Trustees for the Year Ended 31 July 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st July 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

OBJECTIVES AND ACTIVITIES

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Our purposes and activities are:

NMiTE is a remarkable community story, the culmination of years of determined endeavour by local citizens to give to Hereford what every other county in England already has - higher education provision.

NMiTE is working towards transforming the way in which engineering is learned; to transform who can learn engineering and what an engineer can be.

NMiTE captured the imagination of the Government and is set to play a key role in addressing the UK's engineering skills shortage and crisis in productivity. It has engaged broadly and deeply with a range of public and private sector employers to be sure that the future engineers who learn with NMiTE will emerge with the mix of skills which employers urgently seek, to make an impact from day one.

It will be the catalyst for transformational change in Hereford and the surrounding region and drive improved learning opportunities for all.

NMiTE is a once-in-a-generation opportunity to transform engineering education and create a new kind of engineer with diversity of background and mindset to think differently. Our Learner Engineers will make a difference from day one, they will help reverse the decline in productivity, solve real world problems, support economic growth in our economy and embrace an exceptional lifelong learning experience that will be fulfilling for them, their employers and their communities.

NMiTE is being created, as a disrupter, an alternative provider, to revolutionise how engineering can be learned and open it up to a new generation of engineers.

Life-long learning at NMiTE is not vague aspiration, but instead coded into its very design. It is realised through its different but integrated programmes, providing variable yet cohesive pathways to engineering for people at different stages:

- MEng - an accelerated master's degree in integrated engineering
- EnDApp - engineering degree apprenticeships driven by current and real industry needs
- EnSkill - development courses in engineering and business skills for working engineers, those returning to engineering and NMiTE graduate and apprentice engineers.

Report of the Trustees
for the Year Ended 31 July 2019

ACHIEVEMENT AND PERFORMANCE

NMiTE successfully recruited 25 unique people whom we referred to as the 'Design Cohort' who in September 2018 began the unique mission of helping create the future student experience. They were involved in designing campus layout, new models of learning and new types of accommodation to ensure that we have the right designs in place with a view to being able to welcome our first 'pioneer' cohort of 50 students in the spring of 2020 (initially targeted for September 2019), subject to validation. The 'Design Cohort' completed this first vital stage in July 2019.

During the period NMiTE also launched its first Ingenuity Studio which visits schools around the region to engage school children and young people in a hands-on workshop environment. Encouraging young people to consider engineering and promoting NMiTE and what it will be offering.

It also created the Pioneer Fund - a fundraising drive to provide our first 50 students with a full scholarship for their first year of study with NMiTE.

NMiTE also secured a lease on Miller Court which provides 14 bedrooms for student accommodation which housed our Design Cohort.

Secured the lease of Blackfriars, a teaching and learning space that will be large enough to accommodate NMiTE's first full cohort of students (in September 2020, subject to validation).

Moving forwards NMiTE have recruited 6 'Trial Learners' who from September 2019 will provide feedback on elements of the proposed programme to ensure that it is fit for purpose and best meets the needs of our future learners.

FINANCIAL REVIEW

Financial position

NMiTE shows a surplus for the year end 31st July 2019 of £567,531 (2018: £2,525,340). The principal funding is being provided by the Department for Education in the form of restricted grants. In year there were further drawdowns of capital £502,500, and revenue of £3,532,500. The balance remaining on the restricted Garfield Weston Foundation donation is £210,804, and further unrestricted amounts of £2,446 were achieved in year. There have been further donations of £238,449 towards the Pioneer Fund, which will support the initial intake of 50 students. The balance carried forward at the year-end for all funds was £3,106,132 (2018: £2,538,601).

Under the Charities SORP it is not permissible to defer income from government or other funders unless there is a specific performance requirement. Both the Department for Education and Garfield Weston grants do not have this formal requirement, but are deemed to cover future periods of expenditure beyond 31 July 2019. Further grants from the Department for Education are expected in the next year and during this period the charity is expected to achieve surplus results.

Investment policy and objectives

NMiTE currently does not have an Investment Policy but will be developed by the trustees to ensure safe and effective use of funds once there are funds available for investment. NMiTE does however have a procedure for effectively managing its cash resources.

Reserves policy

NMiTE acknowledges that it only has small unrestricted reserves valued at £2,446 and that the majority of its reserves are restricted and capital funds that are not for general use. The day to day operations of NMiTE are met from use of the restricted Department for Education monies.

Report of the Trustees
for the Year Ended 31 July 2019

FINANCIAL REVIEW

Going concern

The Department for Education are currently funding the organisation through its start-up phase, via Herefordshire Council, and without their continued support the organisation would not be able to continue in its current form. The next tranche of funding is expected to be received in September 2019 and further receipts are expected in March 2020, under the Memorandum of Understanding governing the availability of the funding. The trustees believe NMiTE will be able to achieve the performance conditions outlined in the Memorandum of Understanding, within the required timeframe, and so expect the funding to be secured.

NMiTE also secured short-term loan financing from independent parties, together with support from their bankers in the form of an overdraft facility.

Based on the above factors, the trustees believe it is appropriate to prepare the financial statements on the going concern basis.

FUTURE PLANS

NMiTE changed its approach to validation during the year and engaged with a new validation partner of national standing in July with a view to achieving validation of its programme by early 2020, and to achieve Registration as a higher education provider with the Office for Students. This fits with the timetable for delivering its first planned learning spaces. Validation and OfS Registration will enable NMiTE to recruit 50 learners for our Pioneer Cohort commencing in the spring of 2020.

As soon as we are able to open our doors, to recruit these first learners we will be launching a targeted recruitment campaign, supplemented by an ongoing series of engagement and awareness building activities by Ingenuity Studios (our mobile engineering studio). The experience of this campaign will inform the recruitment plan for the September 2020 intake.

2019/20 will also see NMiTE deliver its first CPD courses which are being created with employers to directly address skills gaps in their current workforce. As of September 2019 NMiTE has already partnered with 8 companies to deliver CPD courses into their work environment.

NMiTE will also continue to work towards being able to deliver Degree Apprenticeships.

The NMiTE campus will expand with the first learning spaces being created through renovations at the Blackfriars Centre. Future student accommodation will be developed at new and existing sites for the Pioneer year and plans progressed for subsequent years, including the collaboration with the Hereford College of Arts at Station Approach.

NMiTE will continue fundraising to support the Department for Education grant income and LEP match funding requirements and will also continue to actively pursue additional funding opportunities and investment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

NMiTE is registered as a charity with the Charity Commission.

It is constituted as a limited company, limited by guarantee, as defined by the Companies Act 2006 and is governed by its Articles of Association and the regulations set out in its Governance Handbook.

Recruitment and appointment of new trustees

New trustees are sought from the local community and individuals and businesses that have an interest in the charitable objects of the organisation. Trustees are appointed in accordance with the Articles of Association and the associated regulations set out in the Governance Handbook. NMiTE is created as a members' organisation and its members (its future learners, its workforce and key employer partners) will have the right to nominate members for appointment as Trustees.

Induction and training of new trustees

The training and induction provided for new trustees includes a tour of the facilities and a chance to meet staff. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

The induction and training policy continues to be developed as NMiTE grows.

New Model in Technology & Engineering

Report of the Trustees for the Year Ended 31 July 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The Trustees review the pay and remuneration of key management staff annually and normally increase pay levels in accordance with average earnings which have been benchmarked in the sector.

Related parties

NMiTE has a working relationship with Herefordshire Council who has agreed to act as the Publicly Accountable Body for the purpose of the Department for Education funding of NMiTE and there is a Memorandum of Understanding which has been agreed to support the Central Government Section 31 Grant funding of NMiTE as a new not for profit higher education provider.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

New Model in Technology and Engineering is a company limited by guarantee governed by its Memorandum and Articles of Association dated 28 Jan 2014. It is registered as a charity with the Charity Commission.

The board of trustees and its committees

The board of trustees, which has 6 members administers the charity. The Board normally meet monthly. There are sub committees covering matters including Finance, Infrastructure and Property and Audit and Risk. Sub committees normally meet monthly and Audit and Risk normally meets quarterly. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations The Chief Executive has delegated authority for operational matters such as finance, employment and academic programme activities.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08800142 (England and Wales)

Registered Charity number
1176550

Registered office
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Trustees

I M Falconer	
D C Sheppard	- resigned 27.3.19
Ms K S Usher	
Dame F M Kendrick	
Sir E J Thomas	
P Scott	
J Gorringer	
Ms R D Innocent	- appointed 1.7.19
R Lindsay-Davies	- appointed 1.7.19
M J Hitchin	- appointed 1.7.19

Company Secretary
Ms C McCauley

New Model in Technology & Engineering

Report of the Trustees for the Year Ended 31 July 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Advisers

Bankers

HSBC Bank plc
35 High St
Hereford
HR1 2AQ

Key Management personnel:

Chief Executive Officer	Prof Elena Rodriguez- Falcon
Chief Partnerships Officer	Prof David Langley
Chief Marketing Officer	Julian Pate - appointed 11 September 2018 - resigned 15 February 2019
Chief Academic Officer	Prof Martin Gillie - appointed 7 January 2019
Chief Operating Officer	Mr David Nolan - appointed 1 August 2019

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of New Model in Technology & Engineering for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

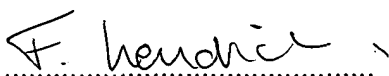
AUDITORS

NMiTE will re-tender the service in line with its policy.

New Model in Technology & Engineering

Report of the Trustees
for the Year Ended 31 July 2019

Approved by order of the board of trustees on 26 Nov 19 and signed on its behalf by:



Dame F M Kendrick - Trustee

Report of the Independent Auditors to the Members of
New Model in Technology & Engineering

Opinion

We have audited the financial statements of New Model in Technology & Engineering (the 'charitable company') for the year ended 31 July 2019 which comprise the Statement of Financial Activities; the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

**Report of the Independent Auditors to the Members of
New Model in Technology & Engineering**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Kevin Tong FCCA ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 29/11/19

New Model in Technology & Engineering

Statement of Financial Activities
for the Year Ended 31 July 2019

	Notes	Unrestricted fund £	Restricted funds £	31.7.19 Total funds £	31.7.18 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	281,588	281,588	499,999
Charitable activities	4	-	-	-	-
Provision of education		-	4,035,000	4,035,000	4,609,172
Investment income	3	2,446	-	2,446	5,378
Total		2,446	4,316,588	4,319,034	5,114,549
EXPENDITURE ON					
Charitable activities	5	-	3,751,503	3,751,503	2,589,209
Provision of education		-	-	-	-
NET INCOME		2,446	565,085	567,531	2,525,340
RECONCILIATION OF FUNDS					
Total funds brought forward		5,377	2,533,224	2,538,601	13,261
TOTAL FUNDS CARRIED FORWARD		7,823	3,098,309	3,106,132	2,538,601

The notes form part of these financial statements

New Model in Technology & Engineering

Balance Sheet
At 31 July 2019

	Notes	Unrestricted fund £	Restricted funds £	31.7.19 Total funds £	31.7.18 Total funds £
FIXED ASSETS					
Tangible assets	11	-	884,642	884,642	622,047
CURRENT ASSETS					
Debtors	12	-	332,041	332,041	211,103
Cash at bank		7,823	2,760,256	2,768,079	2,645,979
		<u>7,823</u>	<u>3,092,297</u>	<u>3,100,120</u>	<u>2,857,082</u>
CREDITORS					
Amounts falling due within one year	13	-	(578,630)	(578,630)	(619,846)
NET CURRENT ASSETS		<u>7,823</u>	<u>2,513,667</u>	<u>2,521,490</u>	<u>2,237,236</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,823	3,398,309	3,406,132	2,859,283
CREDITORS					
Amounts falling due after more than one year	14	-	(300,000)	(300,000)	(320,682)
NET ASSETS		<u>7,823</u>	<u>3,098,309</u>	<u>3,106,132</u>	<u>2,538,601</u>
FUNDS	17				
Unrestricted funds				7,823	5,377
Restricted funds				<u>3,098,309</u>	<u>2,533,224</u>
TOTAL FUNDS				<u>3,106,132</u>	<u>2,538,601</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 26 Nov. 19 and were signed on its behalf by:



.....
Dame F M Kendrick -Trustee

The notes form part of these financial statements

New Model in Technology & Engineering

Cash Flow Statement
for the Year Ended 31 July 2019

	Notes	31.7.19 £	31.7.18 £
Cash flows from operating activities:			
Cash generated from operations	1	654,929	2,883,174
Interest paid		<u>(3,870)</u>	<u>(1,898)</u>
Net cash provided by (used in) operating activities		<u>651,059</u>	<u>2,881,276</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(607,312)	(630,094)
Release of Campus Development assets		273,151	-
Interest received		<u>2,446</u>	<u>5,378</u>
Net cash provided by (used in) investing activities		<u>(331,715)</u>	<u>(624,716)</u>
Cash flows from financing activities:			
Loan repayments in year		-	(40,000)
Capital repayments in year		<u>(24,399)</u>	<u>24,399</u>
Net cash provided by (used in) financing activities		<u>(24,399)</u>	<u>(15,601)</u>
Change in cash and cash equivalents in the reporting period		<u>294,945</u>	<u>2,240,959</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>2,473,134</u>	<u>232,175</u>
Cash and cash equivalents at the end of the reporting period	2	<u>2,768,079</u>	<u>2,473,134</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 July 2019

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.7.19	31.7.18
	£	£
Net income for the reporting period (as per the statement of financial activities)	567,530	2,525,340
Adjustments for:		
Depreciation charges	69,859	8,046
Loss on disposal of fixed assets	1,707	-
Interest received	(2,446)	(5,378)
Interest paid	3,870	1,898
Increase in debtors	(120,938)	(25,274)
Increase in creditors	135,347	378,542
Net cash provided by (used in) operating activities	<u>654,929</u>	<u>2,883,174</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.7.19	31.7.18
	£	£
Notice deposits (less than 3 months)	2,768,079	2,645,979
Overdrafts included in bank loans and overdrafts falling due within one year	-	(172,845)
Total cash and cash equivalents	<u>2,768,079</u>	<u>2,473,134</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The Department for Education are currently funding the organisation through its start-up phase, via Herefordshire Council, and without their continued support the organisation would not be able to continue in its current form. The next tranche of funding is expected to be received in September 2019 and further receipts are expected in March 2020, under the Memorandum of Understanding governing the availability of the funding. The trustees believe NMiTE will be able to achieve the performance conditions outlined in the Memorandum of Understanding, within the required timeframe, and so expect the funding to be secured.

NMiTE also secured short-term loan financing from independent parties, together with support from their bankers in the form of an overdraft facility.

Based on the above factors, the trustees believe it is appropriate to prepare the financial statements on the going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Expenditure on charitable activities includes the costs of establishing and furthering educational operations undertaken to further the purposes of the charity and their associated support costs.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the Trusts educational activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on employee time basis.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Property Long Term Lease	- Straight Line over 99 years
Fixtures & Fittings	- Straight Line over 5 years
Computer Equipment	- 25% reducing balance

Assets under construction projects are included in fixed assets and are not depreciated until completion where they are assessed and any projects not going head are released to the SOFA.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash and bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Donated goods and services

Donated goods and donated professional services are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or goods of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

New Model in Technology & Engineering

Notes to the Financial Statements - continued for the Year Ended 31 July 2019

2. DONATIONS AND LEGACIES

	31.7.19	31.7.18
	£	£
Donations	278,451	499,999
Donated services and facilities	<u>3,136</u>	<u>-</u>
	<u>281,587</u>	<u>499,999</u>

3. INVESTMENT INCOME

	31.7.19	31.7.18
	£	£
Deposit account interest	<u>2,446</u>	<u>5,378</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.7.19	31.7.18
		£	£
Grants	Provision of education	<u>4,035,000</u>	<u>4,609,172</u>

Grants received, included in the above, are as follows:

	31.7.19	31.7.18
	£	£
Capital Grant	502,500	462,000
Revenue Grant	<u>3,532,500</u>	<u>4,147,172</u>
	<u>4,035,000</u>	<u>4,609,172</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Provision of education	<u>2,239,323</u>	<u>1,512,180</u>	<u>3,751,503</u>

6. SUPPORT COSTS

	Other
	£
Provision of education	<u>1,512,180</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.7.19	31.7.18
	£	£
Depreciation - owned assets	69,859	8,047
Deficit on disposal of fixed asset	1,707	-
Operating leases	70,570	8,167
Auditors remuneration - audit	8,400	7,500
Auditors remuneration - non-audit	<u>13,005</u>	<u>12,174</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2019 nor for the year ended 31 July 2018.

Trustees' expenses

During the year trustee expenses amounting to £31,214 (2018: £98,250) were incurred. The majority of these expenses related to reimbursement of costs incurred on behalf of the organisation.

9. STAFF COSTS

	31.7.19	31.7.18
	£	£
Wages and salaries	1,400,938	697,086
Social security costs	152,791	81,470
Other pension costs	102,992	12,920
	<u>1,656,721</u>	<u>791,476</u>

The average monthly number of employees during the year was as follows:

	31.7.19	31.7.18
Education	12	9
Admin	<u>9</u>	<u>5</u>
	<u>21</u>	<u>14</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.7.19	31.7.18
£60,001 - £70,000	4	1
£70,001 - £80,000	1	-
£80,001 - £90,000	2	-
£140,001 - £150,000	1	-
£150,001 - £160,000	1	-
£190,001 - £200,000	-	1
	<u>9</u>	<u>2</u>

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer(s) and the management team. The total employee benefits of the key management personnel were £610,272 (2018:£481,755)

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	499,999	499,999
Charitable activities			
Provision of education	-	4,609,172	4,609,172
Investment income	<u>5,377</u>	<u>1</u>	<u>5,378</u>
Total	5,377	5,109,172	5,114,549

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
EXPENDITURE ON			
Charitable activities			
Provision of education	-	2,589,209	2,589,209
Total	-	2,589,209	2,589,209
NET INCOME	5,377	2,519,963	2,525,340
RECONCILIATION OF FUNDS			
Total funds brought forward	-	13,261	13,261
TOTAL FUNDS CARRIED FORWARD	<u>5,377</u>	<u>2,533,224</u>	<u>2,538,601</u>

11. TANGIBLE FIXED ASSETS

	Campus development £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 August 2018	284,806	280,794	39,634	24,860	630,094
Additions	282,064	-	325,248	-	607,312
Disposals	(253,106)	-	-	(24,860)	(277,966)
At 31 July 2019	<u>313,764</u>	<u>280,794</u>	<u>364,882</u>	<u>-</u>	<u>959,440</u>
DEPRECIATION					
At 1 August 2018	-	1,636	3,303	3,108	8,047
Charge for year	-	2,836	67,023	-	69,859
Eliminated on disposal	-	-	-	(3,108)	(3,108)
At 31 July 2019	<u>-</u>	<u>4,472</u>	<u>70,326</u>	<u>-</u>	<u>74,798</u>
NET BOOK VALUE					
At 31 July 2019	<u>313,764</u>	<u>276,322</u>	<u>294,556</u>	<u>-</u>	<u>884,642</u>
At 31 July 2018	<u>284,806</u>	<u>279,158</u>	<u>36,331</u>	<u>21,752</u>	<u>622,047</u>

Included within campus development are assets under construction of £313,764.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.19 £	31.7.18 £
Amounts recoverable on contract	2,400	2,250
Other debtors	153,000	10,324
Prepayments	176,641	198,529
	<u>332,041</u>	<u>211,103</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.19	31.7.18
	£	£
Bank loans and overdrafts (see note 15)	-	172,845
Hire purchase (see note 16)	-	3,717
Trade creditors	177,183	109,906
Social security and other taxes	109,492	50,325
Accruals and deferred income	291,956	283,053
	<u>578,631</u>	<u>619,846</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.19	31.7.18
	£	£
Other loans (see note 15)	300,000	300,000
Hire purchase (see note 16)	-	20,682
	<u>300,000</u>	<u>320,682</u>

15. LOANS

An analysis of the maturity of loans is given below:

	31.7.19	31.7.18
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	-	172,845
Amounts falling between one and two years:		
Other loans - 1-2 years	300,000	300,000

16. LEASING AGREEMENTS

	Hire purchase contracts	
	31.7.19	31.7.18
	£	£
Net obligations repayable:		
Within one year	-	3,717
Between one and five years	-	20,682
	<u>-</u>	<u>24,399</u>

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.7.19	31.7.18
	£	£
Within one year	77,167	70,833
Between one and five years	43,833	121,000
	<u>121,000</u>	<u>191,833</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

17. MOVEMENT IN FUNDS

	At 1.8.18 £	Net movement in funds £	At 31.7.19 £
Unrestricted funds			
General fund	5,377	2,445	7,822
Restricted funds			
DfE Capital Grant	453,954	443,184	897,138
DfE Revenue Grant	1,595,217	(68,172)	1,527,045
Garfield Weston Donation	484,053	(88,376)	395,677
Other Restricted	-	19,400	19,400
Pioneer Fund	-	259,049	259,049
	<u>2,533,224</u>	<u>565,085</u>	<u>3,098,309</u>
TOTAL FUNDS	<u>2,538,601</u>	<u>567,530</u>	<u>3,106,131</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,446	(1)	2,445
Restricted funds			
DfE Capital Grant	502,500	(59,316)	443,184
DfE Revenue Grant	3,535,636	(3,603,808)	(68,172)
Garfield Weston Donation	2	(88,378)	(88,376)
Other Restricted	19,400	-	19,400
Pioneer Fund	259,049	-	259,049
	<u>4,316,587</u>	<u>(3,751,502)</u>	<u>565,085</u>
TOTAL FUNDS	<u>4,319,033</u>	<u>(3,751,503)</u>	<u>567,530</u>

Comparatives for movement in funds

	At 1.8.17 £	Net movement in funds £	Transfers between funds £	At 31.7.18 £
Unrestricted Funds				
General fund	-	5,377	-	5,377
Restricted Funds				
DfE Capital Grant	-	453,954	168,093	622,047
DfE Revenue Grant	13,261	1,581,956	(168,093)	1,427,124
Garfield Weston Donation	-	484,053	-	484,053
	<u>13,261</u>	<u>2,519,963</u>	<u>-</u>	<u>2,533,224</u>
TOTAL FUNDS	<u>13,261</u>	<u>2,525,340</u>	<u>-</u>	<u>2,538,601</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,377	-	5,377
Restricted funds			
DfE Capital Grant	462,001	(8,047)	453,954
DfE Revenue Grant	4,147,172	(2,565,216)	1,581,956
Garfield Weston Donation	499,999	(15,946)	484,053
	5,109,172	(2,589,209)	2,519,963
TOTAL FUNDS	<u>5,114,549</u>	<u>(2,589,209)</u>	<u>2,525,340</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.17 £	Net movement in funds £	Transfers between funds £	At 31.7.19 £
Unrestricted funds				
General fund	-	7,822	-	7,822
Restricted funds				
DfE Capital Grant	-	897,138	168,093	1,065,231
DfE Revenue Grant	13,261	1,513,784	(168,093)	1,358,952
Garfield Weston Donation	-	395,677	-	395,677
Other Restricted	-	19,400	-	19,400
Pioneer Fund	-	259,049	-	259,049
	13,261	3,085,048	-	3,098,309
TOTAL FUNDS	<u>13,261</u>	<u>3,092,870</u>	<u>-</u>	<u>3,106,131</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	7,823	(1)	7,822
Restricted funds			
DfE Capital Grant	964,501	(67,363)	897,138
DfE Revenue Grant	7,682,808	(6,169,024)	1,513,784
Garfield Weston Donation	500,001	(104,324)	395,677
Other Restricted	19,400	-	19,400
Pioneer Fund	259,049	-	259,049
	<u>9,425,759</u>	<u>(6,340,711)</u>	<u>3,085,048</u>
TOTAL FUNDS	<u>9,433,582</u>	<u>(6,340,712)</u>	<u>3,092,870</u>

DfE Capital Grant - this relates to capital assets purchased with the income received from the DfE restricted for this purpose

DfE Revenue Grant - this relates to the general running of the organisation in order to meet its objectives with the income received from the DfE restricted for this purpose

Garfield Weston Donation - this relates to the establishment of an ingenuity studio

Pioneer Fund - this relates to the Pioneer Cohort

Other Restricted - this relates to Other Funds that are restricted in nature

18. RELATED PARTY DISCLOSURES

During the year to 31 July 2019, payments totalling £210,662 (2018: £103,958) were made to Nth Degree Consulting Limited of which David Nolan is a Director. David Nolan was the Company Secretary at NMITE until 26/03/2019 and appointed as Chief Operating Officer on 01/08/2019. There was £19,239 (2018: £11,960) outstanding at the year-end.